

Fund Manager Report

Product Details¹

Fund Assets	\$301,156,849.33
Fund Inception Date	14/10/2008
Number of Issuers	220
Bloomberg	TEMWPAU LX
ISIN	LU0390134368
Base Currency	USD
Investment Style	Growth
Benchmark	MSCI All Country World + Frontier Markets Index
Morningstar Category™	Global Large-Cap Growth Equity

Asset Allocation²

Percent of Total	%
Equity	97.51
Cash & Cash Equivalents	2.49
Fixed Income	0.00

Fund Description

The fund aims to provide long-term capital appreciation by investing in growth stocks in developed, emerging, and frontier markets across the entire market capitalisation spectrum. The investment managers and the investment co-managers, located in various countries around the globe, will develop local portfolios of securities with the intention to outperform the relevant market of each region. The fund's exposure to various regions and markets may vary from time to time according to the manager's opinion as to the prevailing conditions and prospects for these markets.

Performance Data

Performance Net of Management Fees as at 31/05/2020 (Dividends Reinvested) (%)³

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (14/10/2008)
A (acc) USD	5.35	0.04	-7.47	5.97	3.44	2.87	7.07	7.59
Net of Sales Charge - A (acc) USD	0.08	-4.96	-12.09	0.67	1.68	1.82	6.52	7.12
MSCI All Country World + Frontier Markets Index USD	4.41	0.08	-8.95	5.94	5.73	5.84	9.04	8.94

Cumulative Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (14/10/2008)
A (acc) USD	5.35	0.04	-7.47	5.97	10.67	15.19	97.97	134.20
Net of Sales Charge - A (acc) USD	0.08	-4.96	-12.09	0.67	5.14	9.43	88.07	122.49
MSCI All Country World + Frontier Markets Index USD	4.41	0.08	-8.95	5.94	18.19	32.83	137.59	170.56

Portfolio Manager Insight

Performance Review

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors	Countries
HELPED	NVIDIA Corporation	Industrials (Stock Selection)	United States (Stock Selection)
	Tyler Technologies, Inc.	Consumer Staples (Stock Selection)	Germany (Stock Selection)
	GEA Group Aktiengesellschaft	Information Technology (Stock Selection, Overweight)	Italy
HURT	Charles Schwab Corporation	Consumer Discretionary (Stock Selection)	India (Overweight)
	Fortive Corp.	Materials (Stock Selection)	Spain
	CSL Limited	—	Australia (Stock Selection)

- NVIDIA, a US-based semiconductor company, boosted relative performance, after it released a strong first-quarter earnings report. The company's artificial intelligence chips used in data centres were in high demand during the period, as many large cloud-computing services providers have been upgrading to NVIDIA's newer chips. The company's video gaming chips also saw robust demand.
- Tyler Technologies, which provides software to US state and local governments, supported relative performance, despite the pressure the coronavirus outbreak is putting on public sector budgets. Recent earnings have been relatively strong, and Tyler expects demand to rebound once the global economy recovers.

1. All holdings are subject to change. Holdings of the same issuers have been combined.

- US broker Charles Schwab detracted from relative results in financials, as the low interest rate environment poses challenges to the company's earnings and revenue growth. However, longer term, the company should see a benefit from its merger with TD Ameritrade, in our view, which should further increase the scale of its brokerage business.

Outlook & Strategy

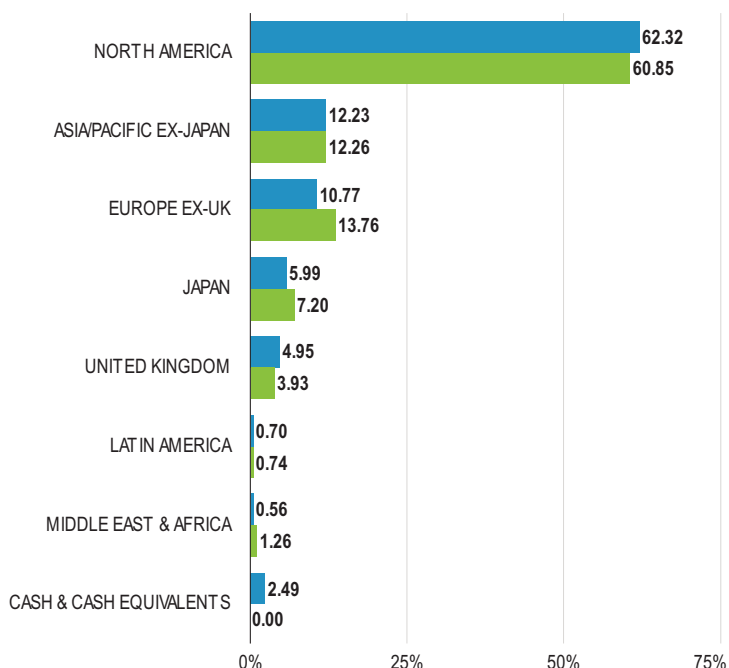
- We expect the next few months are going to be characterised by continued fears about the coronavirus pandemic and growing economic uncertainty. With most governments committed to keep their economies from stalling, efforts to stem the economic effect of the virus will continue. How deep and broad the economic downturn is will depend on how quickly the virus can be contained and how quickly economic activity can resume.
- We are watching China as economic activity is starting back up. The government's focus has now shifted away from containment towards economic normalisation, with restrictions gradually being relaxed to improve the ease of doing business, although the changes in behaviours across the country are far-reaching.
- Encouragingly, global policymakers have taken decisive action to limit the impact of the economic fallout from the spread of the coronavirus. The US Federal Reserve cut rates to zero and launched quantitative easing, while the US government passed a US\$2 trillion spending bill.
- We expect markets to remain volatile in the near term, as investors try to get a better understanding of the fundamentals of the economy and corporate earnings. Earnings are expected to decline in the first two quarters of 2020, according to consensus estimates, given the freeze in economic activity. However, we believe that the selloff in markets has created new opportunities for active managers to uncover quality companies whose share prices have sold off too drastically, overlooking long-term earnings potential, cash flows and balance sheet strength. We remain focused on quality companies, or those with low leverage and strong balance sheets, in the current environment.

Portfolio Characteristics⁴

	Portfolio	MSCI All Country World + Frontier Markets Index
Price to Earnings (12-Month Trailing)	24.61x	18.48x
Price to Book	3.36x	2.23x
Price to Cash Flow	13.09x	11.40x
Market Capitalisation (Millions in USD)	207,544	190,164
Price to Earnings Growth Ratio	2.25x	2.18x
3-Year Sales Growth	12.14%	10.95%
Estimated 3-5 Yr EPS Growth	12.51%	9.97%
Price to Earnings (12 Month Forward)	25.12x	19.69x

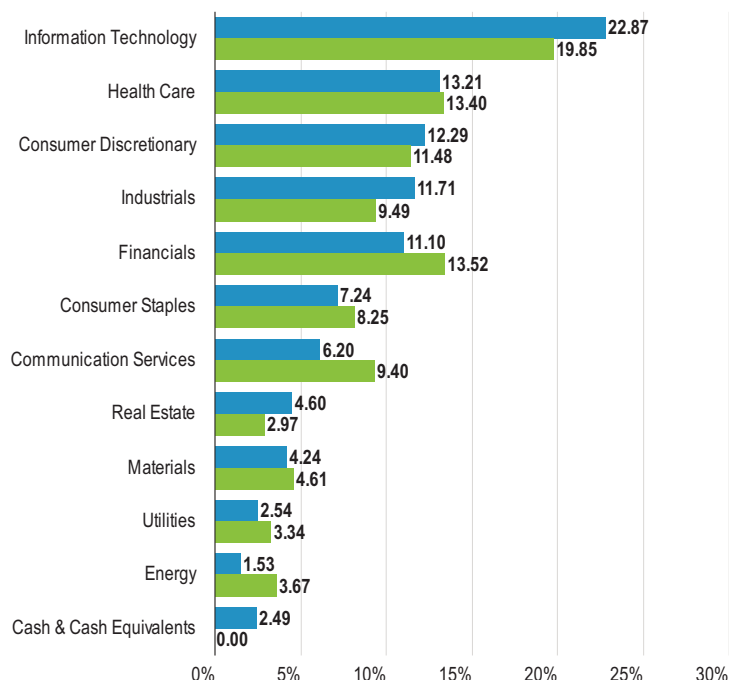
Portfolio Diversification

Geographic Weightings vs. MSCI All Country World + Frontier Markets Index²
Percent of Total



● Franklin World Perspectives Fund
● MSCI All Country World + Frontier Markets Index

Sector Weightings vs. MSCI All Country World + Frontier Markets Index²
Percent of Total



● Franklin World Perspectives Fund
● MSCI All Country World + Frontier Markets Index

Top ten Holdings⁵

Percent of Total

Top Holdings	Sector	%
MICROSOFT CORP	Software & Services	3.11
AMAZON.COM INC	Retailing	3.07
SERVICENOW INC	Software & Services	2.22
ALPHABET INC	Media & Entertainment	2.20
MASTERCARD INC	Software & Services	1.99
NEXTERA ENERGY INC	Utilities	1.97
APPLE INC	Technology Hardware & Equipment	1.89
NVIDIA CORP	Semiconductors & Semiconductor Equipment	1.88
SBA COMMUNICATIONS CORP	Real Estate	1.88
ANALOG DEVICES INC	Semiconductors & Semiconductor Equipment	1.86

Supplemental Performance Statistics**Supplemental Risk Statistics⁶**

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin World Perspectives Fund	16.64	15.00	14.30	15.24
MSCI All Country World + Frontier Markets Index	15.95	14.38	13.98	15.40
Tracking Error (%)	2.39	3.03	2.86	3.21
Information Ratio⁷	-0.96	-0.98	-0.69	-0.35
Beta	1.03	1.02	1.00	0.97
Sharpe Ratio				
Franklin World Perspectives Fund	0.11	0.12	0.45	0.53
MSCI All Country World + Frontier Markets Index	0.25	0.33	0.60	0.60

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Serena Perin Vinton, CFA	28	28

What Are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The Fund invests mainly in equity and equity-related securities of companies around the world, including emerging markets. Such securities have historically been subject to significant price movements that may occur suddenly due to market or company-specific factors. As a result, the performance of the Fund can fluctuate considerably over time. Other significant risks include: currency risk, emerging markets risk, liquidity risk, operational risk, Shanghai-Hong Kong Stock Connect risk. For full details of all of the risks applicable to this Fund, please refer to the "Risk Considerations" section of the Fund in the current prospectus of Franklin Templeton Investment Funds.

6. Beta, Information Ratio and Tracking Error information are measured against the MSCI All Country World + Frontier Markets Index.

7. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

Important Legal Information

Franklin World Perspectives Fund is a sub-fund of the Luxembourg-domiciled Franklin Templeton Investment Funds (FTIF).

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Past performance or any prediction or forecast is not necessarily indicative of future performance of the Fund. Subscriptions may only be made on the basis of the most recent Prospectus and Product Highlights Sheet which is available at Templeton Asset Management Ltd or our authorised distributors. Potential investor should read the details of the Prospectus and Product Highlights Sheet before deciding to subscribe for or purchase the Fund. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. In particular, this Fund is not available to U.S. Persons and Canadian residents.

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The Fund may utilise financial derivative instruments for hedging purposes and/or efficient portfolio management.

In addition, it should not be assumed that any securities mentioned were or will prove to be profitable. Stocks mentioned in this report are not a solicitation to purchase those stocks, and are examples of some stocks which performed well. Not all stocks in the portfolio performed as well. For the most current information on the fund, please contact your Franklin Templeton marketing representative.

Performance figures are not based on audited financial statements and assume reinvestment of interest and dividends. When comparing the performance of Franklin Templeton Investment Funds (the "Fund") with a benchmark index, it is important to note that the securities in which the Fund invests may be substantially different than those represented by the benchmark index. Furthermore, an investment in Franklin Templeton Investment Funds represents an investment in a managed investment company in which certain charges and expenses, including management fees, are applicable. These charges and expenses are not applicable to indices. Lastly, please note that indices are unmanaged and are not available for direct investment. Certain data and other information shown have been supplied by outside sources. While we consider that information to be reliable, we give no assurance that such data and information is accurate or complete.

The indices include a greater number of securities than those held in the Fund.

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2. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.
3. Source for all information is Franklin Templeton Investments. Benchmark related data provided by FactSet. Fund performance computed in share class currency, on NAV-NAV basis and dividends reinvested. Net of Sales Charge figures are after 5% sales charge. Past performance is no guarantee of future results. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Other commissions, taxes and other relevant costs paid by investor are not included.
4. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: Factset. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. The Estimated 3-5 Year EPS Growth uses simple weighted average means. There can be no assurance that the Estimated 3-5 Year EPS Growth will be realised. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.
5. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent the fund's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the fund, or that securities sold will not be repurchased. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.

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